

Power Cost Memorandum Fuel Cost Update

Date: **April 20, 2023**

Utility Name (Cert. No.) Hughes Power & Light Company (332)	Utility File No. PC09-0917V	Date Filed: April 7, 2023
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PCE AMOUNT SUMMARY	Previously Approved PC09-0917U	Staff Recommended Amount(s) and Effective Date PC09-0917V
Class Rate	<u>Date Approved:</u> December 16, 2022	April 21, 2023
All	\$0.6838	\$0.7092
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: \$ 6.1746	New Fuel Purchase Price: \$ 6.4075
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: _____
Previous _____	Updated _____

Weighted Average Fuel Price/Gal. Calculation									
	Gallons		Price						
On-hand before deliv.	-	X	6.1746	=	\$	-			
Delivered	11,365	X	6.4075	=	\$	72,821.24			
	<u>11,365</u>				\$	<u>72,821.24</u>			
							Weighted Average		
									6.4075

Signed: *Brenda Cox*
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 4/20/23)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Kurber		<i>KKT</i>		
Doyle		<i>BD</i>		
Pickett		<i>RMP</i>		
Sullivan		<i>RMP</i> For DS		
Wilson	4/21/23	<i>JWW</i>		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

HUGHES POWER & LIGHT COMPANY

APPENDIX 1

POWER COST EQUALIZATION CALCULATION
BASED ON TEST YEAR ENDING JUNE 30, 2017

Fuel Cost Update

	PC09-0917U	PC09-0917V	
	Prior Commission Approved	Utility Request	Staff Recommended
A. Total KWH Generated	463,447	463,447	463,447
B. Total KWH Sold (Appendix 2)	385,509	385,509	385,509
C. Total Non-Fuel Costs (Appendix 2)	80,328	80,328	80,328
D. Non-Fuel Cost/KWH (C / B)	\$0.2084	\$0.2084	\$0.2084
E. Total Fuel Costs (Appendix 2)	272,657	282,942	282,942
F. Fuel Costs/KWH (E / B)	\$0.7073	\$0.7339	\$0.7339
G. Eligible Costs/KWH (D + F)	\$0.9156	\$0.9423	\$0.9423
H. Eligible Cost/KWH (G) Less 19.58 cents/kWh	\$0.7198	\$0.7465	\$0.7465
I. Lesser of (H) or 80.42 cents/kWh	\$0.7198	\$0.7465	\$0.7465
J. Average Class Rates (Appendix 3) All	\$0.7142	\$0.7142	\$0.7142
Class Power Cost Equalization Per kWh Payable			
K. Lesser of: (I) x 95%, or (J) All	\$0.6838	\$0.7092	\$0.7092
L. Funding Level in Effect	100%	100%	100%
All	\$0.6838	\$0.7092	\$0.7092

PC09-0917V
Appendix 1

HUGHES POWER & LIGHT COMPANY

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY
BASED ON TEST YEAR ENDING JUNE 30, 2017

Fuel Cost Update

		PC09-0917U		PC09-0917V
		Prior Commission Approved	Per Utility	Staff Recommended
Non-Fuel Costs:				
A.	Personnel Expense	57,976	57,976	57,976
B.	Operating Expense	13,502	13,502	13,502
C.	General and Administrative Expense	6,223	6,223	6,223
D.	Depreciation Expense	2,627	2,627	2,627
E.	Interest Expense	-	-	-
F.	Total Non-Fuel Costs	80,328	80,328	80,328
Fuel Costs:				
G.	Gallons Consumed for Electric Generation	44,158	44,158	44,158
H.	Price of Fuel: (per gal.) Weighted Average	6.1746	6.4075	6.4075
I.	Total Fuel Costs	272,657	282,942	282,942
J.	kWh Generated	463,447	463,447	463,447
K.	kWh Sales	385,509	385,509	385,509
L.	kWh Station Service	40,773	40,773	40,773
M.	Efficiency (J / G)	<u>Standard</u> 10.5	10.50	10.50
N.	Line Loss	≤ 12%	8.02%	8.02%
(kWh generated - (kWh Sold + Station Service))/kWh generated				

Calculation of Weighted Average Fuel Price

On Hand	-	\$6.1746	\$	-	
Delivery	11,365	\$6.4075	\$	72,821.24	Weighted
	11,365		\$	72,821.24	Average
					6.4075

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Appendix 2

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **All**

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to 750	0.9100		0.9100	682.5000	0.9100	0.7142
751 to						
to						
to						
Max 750			Total	682.5000	0.9100	0.7142

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to						
to						
to						
to						
Max 750			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) 4.126	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to						
to						
to						
to						
Max 750			Total			

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.1958
0 to						
to						
to						
to						
Max			Total			

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Appendix 3

HUGHES POWER AND LIGHT COMPANY

	Date	Gallons	Cost per Gallon	Delivery/ Mark-up	Total Cost
Beginning Fuel Inventory		-			
Last Approved Fuel Cost/Gal.			6.1746		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inventory					\$ -
Reporting Period Purchases	10/11/22	2,423.0	6.4075		\$ 15,525
	11/01/22	2,463.0	6.4075		\$ 15,782
	11/21/22	1,912.0	6.4075		\$ 12,251
	12/09/22	4,567	6.4075		\$ 29,263
Totals for Reporting Period Purchases on this sheet:		11,365			\$ 72,821
Grand Totals (beginning inventory plus purchases)		<u>11,365</u>			<u>\$ 72,821</u>
Total Cost for Reporting Period divided by Total Gallons for Reporting Period =					\$ 6.4075
Grand Total Cost divided by Grand Total Gallons =					\$ 6.4075

Note: Staff included the AK State Fuel Surcharge of \$0.0095/gallon, the Federal LUST tax of \$0.001/gallon, in the calculation above.

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